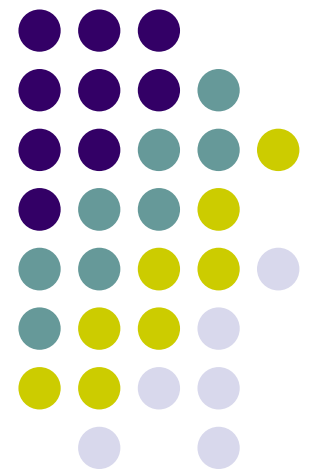


California Renewable Energy Transmission Initiative (RETI)

Western Renewable Energy Zones

Southern California
Renewable Power Forum
February 29, 2008





Background

- State/local policy: 33% renewables
 - ~20,000 MW renewables needed;
40,000 MW in ISO queue
- Access requires major new transmission
- Proactive development: build to zones
 - CA-Tehachapi; CO, MN, NV, TX, WGA
 - FERC Location-Constrained Resources policy



RETI Purpose, Goals

Involve stakeholders to:

- Identify best resource zones, considering:
 - Environmental impact
 - Development feasibility, timing
 - Generation-transmission cost
- Develop transmission plans to priority zones
- Work with Transmission Providers to develop Plans of Service able to support applications



Structure

Coordinating Committee

- CPUC, CEC, CAISO, POU's
- Ensures inter-agency cooperation, support
- Ensures RETI produces information needed for policy decisions; keeps process on schedule

Stakeholder Steering Committee

- Directs RETI work; forms subgroups as needed
- Ensures active participation of member organizations
- Reports progress to Plenary Stakeholder Group

Plenary Stakeholder Group

- Forum for all interested parties to provide input to SSC
- Reviews work of SSC, ensures all views represented



Steering Committee

Transmission CAISO, PG&E, SCE, SDG&E

Providers: IID, LADWP, SMUD

LSEs: NCPA, SCPPA, PG&E, SCE, SDG&E

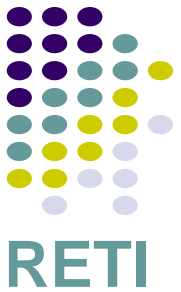
Generators: biomass, geothermal, solar, wind

Agencies: Counties, BLM, CPUC, CEC, USFS

Environmental, Consumer, Military

Scope of Work

- Phase 1 – Identify and rank CREZ (Competitive Renewable Energy Zones)
 - Stakeholder proposals; analytical baseline
- Phase 2 – Develop conceptual transmission plans for priority CREZ
- Phase 3 – Complete detailed transmission planning able to support CPCN applications



Western Renewable Energy Zone (WREZ) Proposal

- Plan regional generation-transmission development in coordinated way, minimize impacts
- Create regional markets for renewables
 - Larger, more liquid, lower cost than state-by-state markets; coordinated procurement
 - Bring best resources to consumers across west
- Governor/Commission-led stakeholder process
 - Responsive to renewables/carbon goals
 - Multi-state cooperation on permitting, cost allocation



WREZ Initiative

Phase 1

- Assess resources, costs across region
- Stakeholders design, rank zones justifying tx

Phase 2

- Conceptual transmission to highest ranking REZ
- WGA Wildlife Corridor, eco-regional design

Phase 3

- Coordinate procurement to support commercial transmission projects

Phase 4

- Interstate permitting, cost allocation agreements